GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:83
ANSWERED ON:28.07.2000
PURCHASING POWER OF RUPEE
ABDUL RASHID SHAHEEN;HARIBHAI PARTHIBHAI CHAUDHARY

Will the Minister of FINANCE be pleased to state:

(a) whether the purchasing power of Indian rupee has constantly decreased during the last few years ;

(b) if so, the average value of rupee between 1991-92 and year 1999-2000 on the basis of the value of rupee in the year 1980-81;

(c) whether there has been considerable difference in the exchange rate of rupee against the currencies of various countries of the world; and

(d) if so, the details thereof for the period 1999-2000, country-wise?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a), (b) , (c) & (d) A Statement is laid on the Table of the House.

Statement in reply of Lok Sabha Starred Question No.83 on Purchasing Power of rupee for July 28, 2000

(a) & (b) The purchasing power of the rupee when measured by the reciprocal of the Consumer Price Index for industrial workers declines as the index increases.

The average value of the rupee between 1991-92 and 1999-2000 with base 1980-81 was: 36.99

Value of Rupee(in paise)

1992-93	33.75	
1993-94		31.40
1994-95		28.52
1995-96		25.88
1996-97		23.68
1997-98	22.13	
1998-99		19.57
1999-00		18.93

(c) & (d) The external value of the rupee against major convertible currencies of the world, such as the US dollar, Pound sterling, Deutche Mark and Japanese Yen during 1999-2000 are given below.

Exchange rate of the rupee (Rs./foreign currency)

Period Average	US $ official Rs./$	Pound St. Rs/ Pound	Dmark Rs./DM	Yen Rs./Yen
Apr.99	42.73	68.76	23.37	0.357
Jul.99	43.58	68.13	22.73	0.362
Oct.99	43.45	72.00	23.83	0.410
Jan.2000	43.55	71.43	22.42	0.415
Mar.2000	43.59	68.93	21.54	0.409

The exchange rate of the rupee with respect to the dollar is largely market determined and moves in both directions on a day to day basis depending upon the demand and supply conditions in the foreign exchange market in India and the strength of the US dollar against other major currencies in the international markets.